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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 8, 2009

Certified Return Receipt
7003 2260 0002 0247 8812

Royce Larsen
Park Valley Quartzite
P.O. Box 836
Park Valley, Utah 84329

Subject: Deficient Reclamation Surety, Park Valley Quartzite LLC, Green Beetle Quarry,
S/003/017, Box Elder, Utah

Dear Mr. Larsen:

As you are aware, the Division of Oil, Gas and Mining is holding a cash reclamation surety of \$18,700.00 for the Green Beetle quarry. This surety was due for review on August 28, 2009.

We understand you may plan to reclaim all or part of the site. **If this is correct, please notify the Division in writing, no later than December 31, 2009.** Please include a reclamation schedule with this notification.

If all of the site is reclaimed, the Division would need to continue holding a portion of the reclamation surety until revegetation success standards were met. The amount of surety required would vary if you decided to reclaim a portion of the site, but this would also require that you amend the Notice of Intention to Commence Small Mining Operations (NOI) to reflect the reduced acreage.

If you intend to continue mining operations, the amount of the surety needs to be increased. The Division has recalculated the surety based on your permitted area of five acres to be:

\$24,600 escalated for 3 years (surety amount next reviewed in 2012) OR
\$25,200 escalated for 5 years (surety amount next reviewed in 2014)

The Division uses standard per-acre costs to determine surety amounts for small mines. The figures used are shown in the following table:



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Project Size (Acres)	Surety 3 & 5 year escalation	Comments
1 or less acres	\$7,400 (3-year escalation) \$7,600 (5-year escalation)	Minimum amount required
Additional acres up to 5 acres	\$4,300/ acre (3-year escalation) \$4,400/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
Cumulative Amount for 5-acres	(i.e. Maximum of 5 acres = \$7,400 +\$17,200 = \$24,600) (3-year escalation) (i.e. Maximum of 5 acres = \$7,600 +\$17,600 = \$25,200) (5-year escalation)	\$600.00 difference between 3 and 5 year escalation amount for 5-acres of disturbance.

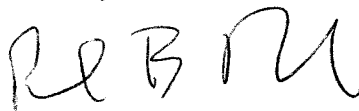
Based on the information in the NOI, the Division has determined that you must post additional surety in the amount of:

\$5900 for 3-year escalation OR
\$6500 for 5-year escalation

If you choose not to amend the NOI or to reclaim as discussed above, we will expect the increased surety amount to be filed with the Division no later than January 31, 2010.

Please contact surety coordinator, Penny Berry, 801-538-5291, for instructions on how to submit this increased surety. If you have questions or concerns regarding this letter, please contact me at 801-538-5261 or Lynn Kunzler at 801-538-5310.

Sincerely,



Paul Baker
Mining Coordinator
Minerals Regulatory Program

PBB:jr:pb

cc: larry_garahana@blm.gov
jblake@utah.gov

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